

**GOVERNMENT OF ANDHRA PRADESH
HOME (GENERAL) DEPARTMENT**

ABSTRACT

Home Department - Constitution of a committee with Financial Experts to Protect the interests of the depositors from Ponzi Schemes in Andhra Pradesh and to make recommendations to Government - Orders - Issued.

Home (General.A2) Department

G.O.Rt.No.634.

Dated:02-06-2015.

Read the following:-

From the Addl. D.G.P., CID, AP, Hyderabad, Lr.No.1517/C-11/CID-AP/2015, Dt.8.5.2015.

O R D E R:-

In the reference read above, the Addl. Director General of Police, CID, AP, Hyderabad has stated that several companies in the guise of deposit schemes are collecting huge amounts by offering high rates of interests and attractive benefits, from the gullible public. Later, almost all companies are vanishing or getting wound up without paying any returns to the depositors as promised, thus cheating the depositors. Though cases were registered on these companies basing on the complaints of the victims, the legal process is taking abnormally long time (minimum 10 years) as it involves search & seizures, sending proposals to Government for attachment of seized movable and immovable properties, making the GOs issued by the Government absolute, constitution of auction committee with the orders of the competent court, auction of such properties, realization of money and distribution to the victims. The cash seized in the process is preserved in the banks with the consent of the courts and are being kept like that, till the final orders of the courts are pronounced. Hence, a lot of time is being consumed in courts .

2. The Addl. Director General of Police, CID, AP, Hyderabad, has further stated that, the CID is investigating cases on 14 such companies wherein more than 66 lakh depositors have been duped and thousands of crores of rupees have been misappropriated by these companies. Therefore, efforts are afoot to amend the A.P. Financial Establishments Act, 1999 to suit the present day needs, to render justice to the depositors and the same is under legal scrutiny.

3. The Addl. Director General of Police, CID, AP, Hyderabad has therefore requested the Government to constitute a Committee comprising of Financial Experts of repute to work out different options to protect the interests of depositors from Ponzi schemes operated in the guise of deposit schemes by several companies viz., Agri Gold, Bommarillu Farms & Villas, Abhaya Gold Intratek, Akshaya Gold, Avani Gold, Vasantha Gold, Akshitha Gold, Gold Quest, SIMS, Akshitah Gold, N-Mart, Amway, Forever Gold and Siri Gold and other such companies.

4. In view of the above, Government after careful consideration hereby constitute a Committee comprising with the following financial experts. so as to mitigate the plight of depositors in Agri Gold and other ponzi ventures and also to work out different options to protect the interests of depositors and to take action that needs to be sorted out with a logical conclusion in this regard.

1. Sri K. Narasimha Murthy, Financial Expert
2. Sri p. Sharath kumar, Chartered Accountant
3. Sri V. Ahalada Rao, Central Council member,
Institute of Company Secretaries
4. Registrar of Companies, Government of India,
Andhra Pradesh and Telangana State at Hyderabad
5. Prl. Secretary, Finance (PFS), Member-Convenor

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5. The Addl. DGP, CID, AP, Hyderabad is requested to extend all necessary support and Co-operation to the members for taking further necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Addl. Director General of Police, CID, AP, Hyderabad.

Copy to:

The members concerned,

(through the Addl. Director General of Police, CID, AP, Hyderabad.)

The P.S to Prl. Secy. to C.M

The P.S to Chief Secretary to Government

The O.S.D to Dy. C.M.(Home)

The P.S to Minister (Finance)

The P.S to Prl. Secy to Government, Home Department.

SF/SC

//FORWARDED:::BY ORDER//

SECTION OFFICER

